Office Work Instruction (OWI)

HOWI7410-S014
02/01/1999

Responsible Office: NASA Headquarters Office of Space Science (OSS) [Code S]
Administration and Resources Management Division (Code SP)

Subject: Budget Formulation

DOCUMENT HISTORY LOG

STATUS (BASELINE/ REVISION/ CANCELED)	DOCUMENT REVISION	EFFECTIVE DATE	DESCRIPTION
Baseline		02/01/1999	This is the initial "baseline" version of the OWI.

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1. PURPOSE   The purpose of this Office Work Instruction (OWI) is to define the process for formulating the Office of Space Science (OSS) budget.

2. SCOPE AND APPLICABILITY

2.1   The three major phases to the budget process are: (a) formulation (also known as development); (b) justification (also known as advocacy); and (c) execution (also known as implementation). One of the most important characteristics of the budget process is that at any given time, some aspect of all three phases of the budget process is occurring. In a given year, OSS formulates the budget for the fiscal year that is two years away, justifies the budget for the upcoming year, and executes the budget for the current year.

2.2   The budget formulation process is often equated with the development of the Program Operating Plan (POP). The objective of the POP is to establish the budget requirements for the budget year (current year plus two) and the four subsequent years. Although the main result of this process is a Program Financial Plan (PFP), project content and schedules as well as the funding plans are often adjusted to enable the total OSS program to stay within its budget envelope.

2.3   The scope of this OWI is confined to the description of the following three significant stages: (a) preparation of POP guidelines; (b) assessment of NASA Center submittals; and (c) development of the integrated OSS budget recommendation.

3. DEFINITIONS

3.1   A&RM. The Administration and Resources Management Division of the Office of Space Science.

3.2   POP. The Program Operating Plan (i.e., the NASA budget plan).

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4. REFERENCES

4.1	ANSI/ISO/ASQC Q9001-1994	
		American National Standard, Quality Systems -- Model for Quality Assurance in Design, Development, Production, Installation, and Servicing
4.2	HCP1280-2	Corrective and Preventive Action
4.3	HCP1280-3	Internal Quality Audits
4.4	HCP1400-1	Document and Data Control
4.5	HCP3410-4	Employee Training
4.6	HQPC1150.1	NASA Headquarters Quality Council Policy Charter
4.7	HQSM1200-1	NASA Headquarters Quality System Manual
4.8	NHB 1101.3	NASA Organization Handbook
4.9	NPD 1000.1	NASA Strategic Plan
4.10	NPD 8730.3	NASA Quality Management System Policy (ISO 9000)
4.11	NPG 1000.2	NASA Strategic Management Handbook
4.12		NASA Budget Administration Manual
4.13		Space Science Enterprise Management Handbook

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5. FLOWCHART

[NOTE: "Quality record" output products are identified via shadowing of the standard ANSI document symbol.]

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                              ( Start )
                                 |
                                 v
  NASA Agency-              1                        OSS Budget-
  Level Guidance    Develop OSS Budget-      -->    Development
                    Development Guidance             Guidance
  SSE
  Strategic Plan
                                 |
                                 v
                          2
                 Coordinate Budget-Development
                 Guidance with Functional Divisions
                                 |
                                 v
                          3                          Funding Controls
                 Develop Funding Controls      -->   Spread Sheet
                                 |
                                 v
                          4                          Program
                 Prepare Program Operating Plan -->  Operating Plan
                 Guidelines                          Guidelines
                                 |
                                 v
                          5
                 Distribute POP Guidelines to NASA Centers
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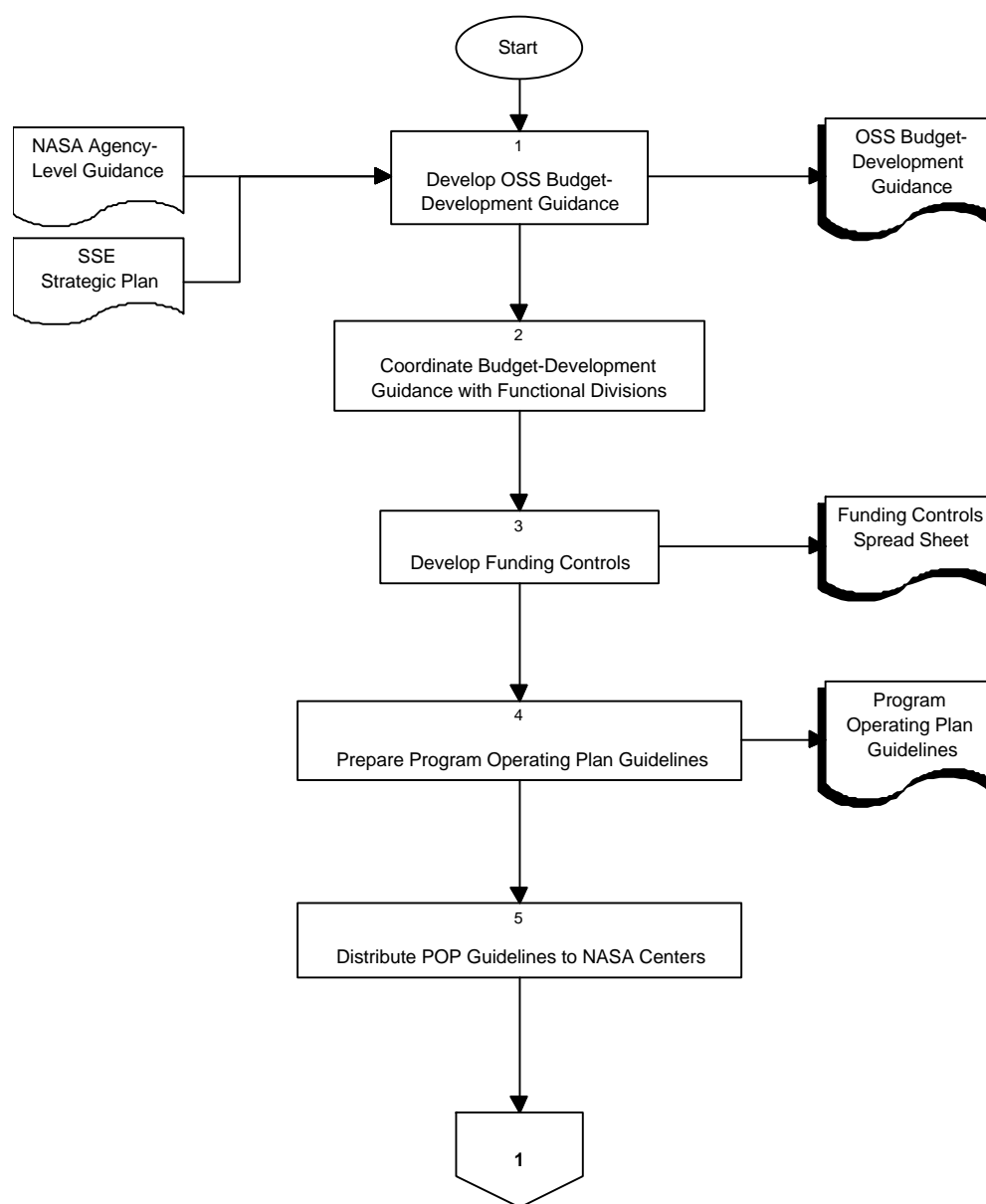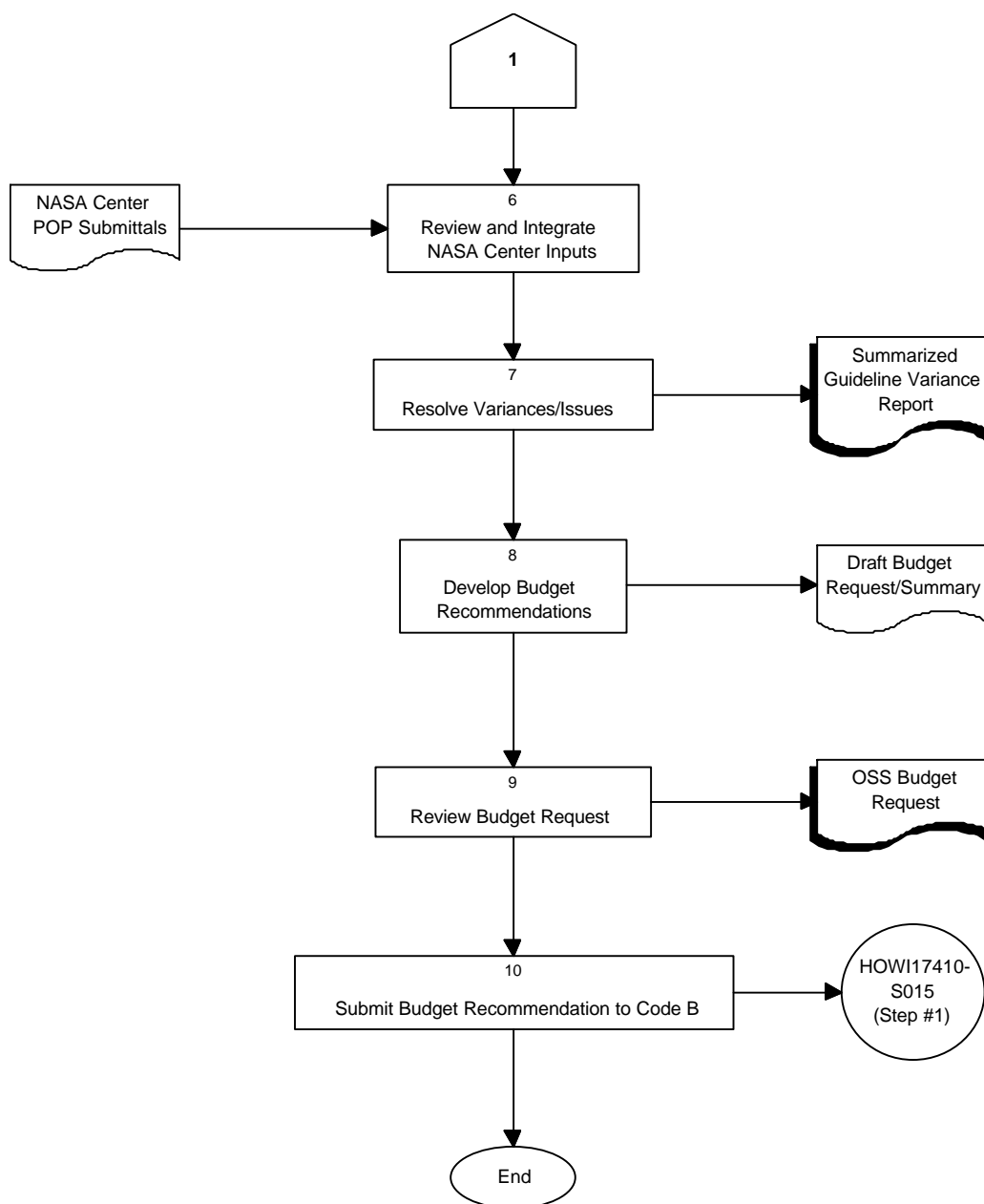
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  ┌─────────────────┐      ┌─────────────────┐
  │ NASA Center     │      │       6         │
  │ POP Submittals  │─────▶│ Review and      │
  └─────────────────┘      │ Integrate       │
                           │ NASA Center     │
                           │ Inputs          │
                           └────────┬────────┘
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                           │       7         │      │ Summarized      │
                           │ Resolve         │─────▶│ Guideline       │
                           │ Variances/Issues│      │ Variance        │
                           └────────┬────────┘      │ Report          │
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                           │       8         │      │ Draft Budget    │
                           │ Develop Budget  │─────▶│ Request/Summary │
                           │ Recommendations │      └─────────────────┘
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                           │       9         │      │ OSS Budget      │
                           │ Review Budget   │─────▶│ Request         │
                           │ Request         │      └─────────────────┘
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              │              10                   │      │ HOWI17410-   │
              │ Submit Budget Recommendation      │─────▶│ S015         │
              │ to Code B                         │      │ (Step #1)    │
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6. PROCEDURE

[NOTE: The following sequence of process steps is numbered in accordance with the number assigned to each corresponding function block in the flowchart in Section 5.]

STEP #	AGENTS	DESCRIPTION
1	A&RM	Prepare OSS budget-development guidelines with the participation of the AA and the functional divisions. The AA defines the overall program priorities and budget strategy for the upcoming process, and then both numeric and narrative guidance is prepared consistent with this direction.
2	A&RM	Prepare a draft of the budget-development guidance, which is then coordinated with the functional divisions.
3	A&RM	Develop funding controls consistent in total with the most recently submitted President's budget. There is often some redistribution among projects to accommodate the latest approved requirements or to reflect changes in program priorities. These controls are broken out by NASA Center and within each Center by project.
4	A&RM	Prepare the Program Operating Plan (POP) guidelines that establish the funding envelope for the OSS program in its entirety, as well as for individual projects. In addition, the POP guidelines provide data requirements and formats, a budget-preparation schedule, and specific direction to projects regarding assumptions, option analysis, unique data requests, etc.
5	A&RM	Distribute the POP guidelines electronically to NASA Centers.
6	A&RM	Review and integrate NASA Center inputs. The assessment of Center POP submittals is conducted as a joint activity between the A&RM Division and the three OSS functional divisions. The

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		purpose of this activity is to develop program and budget recommendations from the functional division directors to the AA for Space Science. The A&RM Division is responsible for the integration of the Center inputs. This activity ensures that the Center inputs provide all the required data in the appropriate formats.
7	A&RM	Resolve variances and issues. Data from the NASA Center submittals and from POP reviews are used by program analysts in the A&RM Division, working in concert with the functional divisions, to identify all significant issues. Issues may include variances in the budget relative to guidelines, milestone changes, technical problems, contract or subcontract growth, reserve levels, etc. These issues form a basis for further investigation and analysis, and the more significant may be brought to the AA for direction as to the range of options that should be pursued.
8	A&RM	Program analysts in the A&RM Division work with the program executives in the technical divisions to develop budget recommendations on a project-by-project basis. Following the presentation of the division director's budget recommendations to the AA, the A&RM Division consolidates the recommendations and provides the AA with a total budget summary.
9	AA	The AA reviews the final options, considers the overall budget situation, and makes whatever final decisions are necessary to balance the total program to the guideline level.
10	A&RM	The A&RM Division prepares the OSS budget recommendation submittal to the Office of the Chief Financial Officer (Code B). The submittal consists of a letter from the AA that summarizes the Enterprise's budget priorities and issues, a Program Financial Plan, and supporting documentation as required by the Office of the Chief Financial Officer. The supporting

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documentation usually consists of budget traces which display changes from the previous year's baseline to the current recommendation, content charts which show a lower level of budget detail than is contained in the Program Financial Plan, and several formats that are required for NASA's reports to the federal Office of Management and Budget (OMB). The output of this process becomes an input to Step #1 of HOWI7410-S015 "Budget Justification".

7. QUALITY RECORDS

RECORD IDENTIFICATION	OWNER	LOCATION	MEDIA (ELECTRONIC/ HARDCOPY)	RETENTION	DISPOSITION
OSS Budget-Development Guidance	A&RM Integration Analyst	Code SP Division files	Hardcopy	Retain until no longer used.	Destroy when no longer used.
Funding Controls Spread Sheet	A&RM Integration Analyst	Code SP Division files	Hardcopy	Retain until no longer used.	Destroy when no longer used.
Program Operating Plan Guidelines	A&RM Integration Analyst	Code SP Division files	Hardcopy	Retain until no longer used.	Destroy when no longer used.
Summarized Guideline Variance Report	A&RM Integration Analyst	Code SP Division files	Hardcopy	Retain until no longer used.	Destroy when no longer used.
OSS Budget Request/ Recommendation	A&RM Integration Analyst	Code SP Division files	Hardcopy	Retain until no longer used.	Destroy when no longer used.

[NOTE #1: These "quality record" output products are identified in Section 5 ("Flowchart") of this OWI via shadowing of the standard ANSI document symbol.]

[NOTE #2: In accordance with NPG 1441.1 NASA Records Retention Schedules, "… installations' office of primary responsibility will maintain one official record copy …; reference copies may be maintained for related work". Therefore, the "Retention" and "Disposition" aspects of quality records apply only to the one official record copy of each quality record.]